



Analysis Of Business Model Canvas (BMC) Of Lushwoods MSMEs

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Abstract: *In Indonesia, the furniture MSME industry experienced a significant surge in performance in early 2025, with strong quarterly and annual growth. The Indonesian furniture industry demonstrated impressive performance, including in Batam. MSMEs in Batam have continued to grow year after year. Batam is a developed industrial city, and the furniture market opportunities in Batam are promising due to the city's rapid growth and strategic location, which supports domestic demand and export potential. Research objectives: Based on the aforementioned opportunities, the purpose of this paper is to run an MSME business, namely Lushwoods furniture, using a Business Model (BMC) supplemented by a SWOT analysis. Proposed methods: This research is a qualitative study using a participatory approach, involving Lushwoods furniture MSMEs in the target area. The methods applied include: outreach, implementation workshops, mentoring, and evaluation. Result: The results indicate that partners who initially lacked business planning are now able to identify key elements of the BMC, manage resources, and develop marketing strategies and product diversification more effectively. Thus, the implementation of the BMC has proven effective in helping manage frozen food businesses more strategically and sustainably. Conclusions: The application of the canvas business model has proven effective in helping Lushwoods Furniture MSME manage its business in a more planned and strategic manner.*

Keywords: *MSME, Business Model Canvas, SWOT analysis, furniture.*

INTRODUCTION

The development of Micro, Small, and Medium Enterprises (MSMEs) in Indonesia is currently a government priority in national economic development (Carolus Borromeus Mulyatno, 2022). MSMEs play a role in distributing development outcomes and absorbing labor, as evidenced by the number of businesses and job creation (Amini et al., 2021). In Batam City, MSMEs have not been fully integrated into the main industrial chain, resulting in limited growth. The majority of MSME owners in Batam City still face financial constraints, coupled with a lack of public understanding of existing technology and difficulties in product promotion. Meanwhile, MSMEs in Batam City have been growing year after year (Amini et al., 2021).

The manufacturing industry, such as furniture, is a type of MSME that is in high demand in Indonesia and even internationally (Natallia et al., 2022). Indonesian furniture products are high-quality products with designs that combine traditional cultural heritage with modern touches, making them desirable in the international market. This industry produces a wide range of



products, including sofas, tables, chairs, and shelves, with design trends emphasizing sustainability, minimalism, and multifunctionality. Indonesian furniture exports continue to increase, although they require further support, such as government incentives, to compete in the global market.

The global furniture market continues to expand rapidly, projected to reach USD 878.14 billion by 2032. Key trends include increased demand for environmentally friendly products, a shift to online shopping driven by convenience and customization, and the emergence of smart and multifunctional furniture. In Indonesia, the industry also experienced a significant surge in performance in early 2025, with strong quarterly and annual growth. The Indonesian furniture industry demonstrated impressive performance, growing 9.86% year-on-year and 4.37% quarter-on-quarter in the first quarter of 2025.

Batam City is a developed industrial city. Demographically, its population consists of the upper middle class. The furniture market in Batam is promising due to the city's rapid growth and strategic location, which supports both domestic demand and export potential. Large furniture shopping centers are readily available in Batam. Consumer interest in various segments, including high-end products, office supplies, and pre-owned furniture, remains strong, demonstrating a dynamic market. Furthermore, the potential for rapid industrial growth and the increasing number of new homes create sustainable demand. The furniture business can generate promising profits in both domestic and international markets, although it requires substantial initial capital, expertise, and sound management. Keys to success include appropriate marketing strategies (including online), strategic location selection, and the provision of flexible payment options such as credit to attract more customers (Natallia et al., 2022).

With its strategic location close to Singapore and Malaysia, Batam is a magnet for foreign investment, particularly in the manufacturing, logistics, and service sectors. Data from the Batam City Central Statistics Agency (BPS) shows that the city's Gross Regional Domestic Product (GRDP) has grown by an average of 5-7% annually over the past decade, driven by population growth (approximately 1.2 million people by 2023) and export-driven economic activity (Amini et al., 2021). However, amid this growth, the furniture industry, a potential sector, has yet to be



fully explored, even though furniture is Indonesia's primary export commodity, with exports reaching USD 2.5 billion in 2022 (Sunendar et al., 2021).

In an increasingly complex and dynamic business world, understanding how to design and manage effective business models, especially for MSMEs, is crucial. One approach that can help understand these aspects is the Business Model Canvas (BMC). The Business Model Canvas is a strategic tool that allows stakeholders to visually design, describe, and analyze business models (Ilmah et al., 2024).

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METHOD

This study employs a descriptive qualitative research design aimed at analyzing the business model structure and strategic positioning of Lushwoods, an MSME operating in the furniture sector in Batam. Qualitative methods are considered appropriate for exploring real-world business phenomena, capturing the perspectives and experiences of MSME actors, and understanding contextual factors that influence business sustainability (Creswell & Poth, 2018). A participatory approach was adopted to ensure that the research process involved active engagement and



collaboration with Lushwoods MSME owners, enabling researchers to identify operational challenges, validate findings, and support strategic improvements (Kindon et al., 2007).

Data collection consisted of three primary techniques: observation, interviews, and literature review. Observation was conducted to examine production activities, marketing systems, customer interactions, and business operations both online and offline. This allowed the researchers to document workflow, resource utilization, and market engagement patterns in their natural settings (Angrosino, 2007). Semi-structured interviews were conducted with business owners and workers to obtain detailed insights into organizational processes, business constraints, customer preferences, and strategic decision-making. This interviewing technique allows flexibility, enabling researchers to explore emerging themes while maintaining core research objectives (DiCicco-Bloom & Crabtree, 2006). The literature review was used to support conceptual understanding, drawing upon scholarly works related to MSME development, the Business Model Canvas (BMC), furniture industry analysis, and strategic frameworks (Snyder, 2019).

For analytical purposes, the Business Model Canvas (BMC) was employed as the primary tool for mapping Lushwoods' business architecture, including key partners, activities, resources, value propositions, customer segments, channels, revenue streams, and cost structures (Osterwalder & Pigneur, 2010). The BMC provides a holistic visualization of business components and has been widely applied in MSME research for strategic planning and business innovation (Joyce & Paquin, 2016). In addition, SWOT analysis was utilized to evaluate internal strengths and weaknesses as well as external opportunities and threats. SWOT analysis is a widely adopted strategic method for decision-making and organizational assessment, particularly effective for MSMEs seeking to identify competitive advantages and constraints (Gürel & Tat, 2017).

Data analysis followed a thematic approach, where findings from observations, interviews, and documentation were categorized into thematic patterns aligned with BMC and SWOT elements. This method allows researchers to interpret qualitative data systematically and derive meaningful insights for business improvement strategies (Nowell et al., 2017). The integration of participatory qualitative methods, strategic frameworks, and thematic analysis ensures a comprehensive understanding of Lushwoods' business context and supports evidence-based recommendations for sustainable development.



RESULT AND DISCUSSION

SWOT Analysis

A SWOT analysis is a strategic planning method used to help organizations identify strengths, weaknesses, opportunities, and threats related to business objectives or projects. This analysis provides a comprehensive overview of the internal and external factors that can influence a business's success. By understanding these components, companies can develop more effective strategies, capitalizing on strengths and opportunities, and addressing existing weaknesses and threats. SWOT is frequently used in decision-making and business planning, including in industries such as wood-based furniture products like Lushwoods (Mardhiyah & Khairifa, 2024).

Business Model Canvas (BMC)

Using the Business Model Canvas (BMC) method, here are the nine elements of the Business Model Canvas (BMC) for Lushwoods MSME:

1. Customer Segment

- a. Families living in houses or apartments in large cities.
- b. For interior design projects undertaken by architects and designers, they seek unique and functional furniture.
- c. Customers concerned about sustainability and the environment.

2. Value Proposition

- a. Furniture designs that can be customized to customer needs and preferences.
- b. High-quality materials sourced from sustainable natural resources.
- c. Offering aesthetic value and functionality in one product.

3. Channels

- a. Online Channels: Lushwoods will sell its products through its official website and e-commerce marketplaces such as Facebook Marketplace, as well as social media (Instagram, Facebook, and TikTok) to reach a wider consumer base.
- b. Offline Channels: Products can be displayed in stores where they are sold. Lushwoods can also collaborate with interior designers and architects to feature its products in their interior design projects.



4. Customer Relationship.

- a. **Personalized Service:** Providing personalized service through design consultations that allow customers to choose the design, materials, and finish.
- b. **Customer Support:** Customer support via chat on social media sites to assist with questions about products, the customization process, and shipping.
- c. **Loyalty Programs:** Loyalty programs for repeat customers that provide exclusive discounts, access to new products, or priority service for custom orders.

5. Revenue Streams.

- a. **Direct Sales:** Primary revenue comes from selling furniture products directly to consumers through Marketplace sites and physical stores.
- b. **Special Projects and Collaborations:** Additional revenue from collaborating with interior designers and architects to provide custom furniture for residential or commercial projects.
- c. **Custom Services:** Customizing or customizing furniture to specific customer needs for an additional fee.

6. Key Resources

- a. **Raw Materials:** Sustainable wood and other high-quality materials.
- b. **Human Resources:** Competent design, production, and marketing teams, as well as experienced carpenters and craftsmen in custom furniture creation.
- c. **Technology:** E-commerce platform and order management system to support online sales and customer interactions.
- d. **Logistics Network:** Reliable shipping partners to deliver products timely and safely to customers.

7. Key Activities

- a. **Production:** Manufacturing high-quality furniture according to customer specifications and requests.
- b. **Design:** A design team that collaborates with customers to produce customized furniture.
- c. **Marketing:** Digital marketing activities to increase brand awareness and attract new customers through online advertising, social media, and word-of-mouth recommendations.



- d. Logistics and Delivery: Coordinating with logistics partners to ensure products reach customers in perfect condition.

8. Key Partnerships

- a. Wood Suppliers: We collaborate with suppliers who provide high-quality, environmentally friendly wood from sustainable sources. This ensures that the raw materials used in Lushwoods production not only meet quality standards but also align with the principles of sustainability and environmental responsibility.
- b. E-commerce Platforms: In an effort to expand market reach, Lushwoods collaborates with major e-commerce platforms such as Tokopedia and Shopee. Through this partnership, Lushwoods products become accessible to consumers across the region, increasing product visibility and sales.
- c. Interior Designers and Architects: We also partner with interior designers and architects who use Lushwoods products in their projects. This collaboration not only helps expand our audience but also gives our products a more professional and creative market presence, leveraging the established networks of designers and architects.
- d. Logistics Partners: To ensure timely and efficient distribution of Lushwoods products, we partner with reliable logistics companies. These logistics partners help ensure smooth product distribution from the factory to the consumer, ensuring customer satisfaction with optimal delivery services.
- e. Carpenters or Master Furniture Makers: We also partner with carpenters or master furniture makers, who help teach us the process of furniture making and lend us heavy equipment. These partnerships allow the Lushwoods team to enhance their understanding of production techniques and ensure that the products meet high-quality standards.

9. Cost Structure

If 10 units are sold

Total Revenue = Selling Price × Number of Units

Total Revenue = Rp2,000,000 × 10 = Rp20,000,000

Total COGS = COGS × 10 = Rp1,800,000 × 10 = Rp18,000,000

Total Profit = Total Revenue – Total COGS



Total Profit = Rp20,000,000 – Rp18,000,000 = Rp2,000,000

If 15 units are sold

Total Revenue = Selling Price × Number of Units

Total Revenue = Rp2,000,000 × 15 = Rp30,000,000

Total COGS = COGS × 15 = Rp1,800,000 × 15 = Rp27,000,000

Total Profit = Total Revenue – Total Cost of Goods Sold

Total Profit = Rp30,000,000 – Rp27,000,000 = Rp3,000,000

Business Model Canvas		Designed For	Designed by	Date	Version
Key Partners Mitra kunci seperti pemasok kayu ramah lingkungan, marketplace, desainer interior, dan mitra logistik serta tukang kayu/ahli mebel.	Key Activities Produksi furniture, pemasaran online, distribusi, dan kerjasama dengan desainer serta tukang kayu. Key Resources Kayu berkualitas, keterampilan tukang kayu, platform e-commerce, dan tim pengelola anggaran serta logistik.	Value Propositions Produk furnitur kayu ramah lingkungan dengan desain eksklusif, harga kompetitif, dan kualitas tinggi.	Customer Relationship Hubungan dengan pelanggan melalui media sosial, marketplace, layanan pelanggan langsung, dan testimoni. Channel Penjualan melalui Facebook marketplace, TikTok atau media sosial lainnya, dan toko fisik	Customer Segments Segmen pelanggan adalah konsumen yang peduli lingkungan, desainer interior, dan pembeli mebel premium.	
Cost Structure <ul style="list-style-type: none"> Bahan Baku: Rp1.300.000 per unit (meliputi papan, balok, paku, skrup, lem kayu, dempul, melamin, amplas, cat, pennis, kuas cat, dan sewa peralatan) Budget Produksi: Rp400.000 per unit Anggaran Penjualan: Rp200.000 per bulan Biaya Beban Penjualan: Rp100.000 per unit Total HPP (Harga Pokok Penjualan): Rp1.800.000 per unit Target Penjualan: 10-15 unit per bulan dengan harga Rp2.000.000 per unit Keuntungan Bulanan: Rp2.000.000 hingga Rp3.000.000 			Revenue Stream <ul style="list-style-type: none"> Penjualan Langsung: Pendapatan utama dari penjualan produk furniture melalui marketplace (seperti Facebook, TikTok) dan toko fisik. Proyek Khusus dan Kolaborasi: Pendapatan tambahan dari kerjasama dengan desainer interior dan arsitek untuk proyek custom. Layanan Custom: Pendapatan dari penyesuaian atau pembuatan furniture khusus sesuai kebutuhan pelanggan dengan biaya tambahan. 		

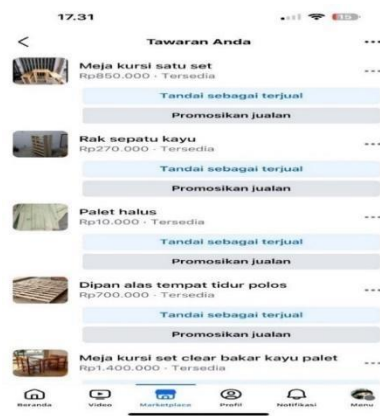
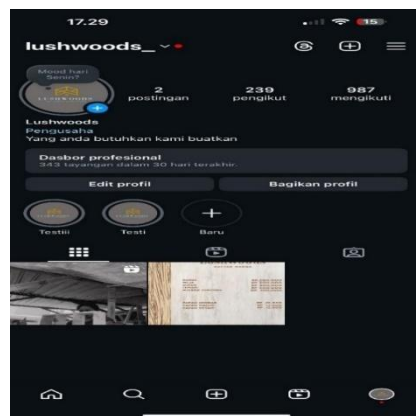


Figure: Business Model Canvas (BMC)

Figure 3. (a) This is a figure is Table of BMC of Lushwoods furniture MSMEs **(b)** a IG Promotions of Lushwoods furniture MSMEs; school, confirming the alternative hypotheses posited in the regression analysis.



CONCLUSION

Lushwoods MSME BMC model has been successfully implemented according to the initial plan. Every element of the Business Model Canvas is effective, from customer segments to cost structures. Lushwoods has successfully reached the right market: middle- to upper-class families, cafe/restaurant owners, and commercial enterprises. Its core values of high-quality, environmentally friendly products and personalized service have delivered real customer satisfaction.

Distribution channels, including e-commerce, physical showrooms, and social media, have proven effective in increasing brand awareness and sales. Customer relationships focused on personalized service and sustainability education foster customer loyalty. Revenue streams are stable, with potential growth from personalized services and interior design services. Resources, core activities, and partnerships also support effective business operations. However, there are challenges to anticipate, such as increasing production capacity to meet growing demand and investing in technology to maintain efficiency.

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